

Stellar Resources

ASX Announcement



21 September 2020

Despatch of Offer Document to Eligible Shareholders

Capital Structure

Shares:	469,987,168
Share Price (SRZ):	1.5 c
Unlisted Options:	37,000,000
Share Rights	5,161,190

Commodity

Tin Price:	US\$18,100/t
Gold Price:	US\$1,969/Oz
Exchange Rate US\$	0.73

Main Shareholders

European Investors	16.5%
Capetown SA	14.1%

Board & Management

Simon O'Loughlin Non-Executive Chairman
Simon Taylor Non-Executive Director
Thomas Whiting Non-Executive Director
Gary Fietz Non-Executive Director
Melanie Leydin Company Secretary

The Board of **Stellar Resources Limited** (ASX: **SRZ**, “**Stellar**” or the “**Company**”) is pleased to announce the despatch of the letter to eligible shareholders attached as an Annexure to this announcement in relation to the Non-Renounceable Entitlement Offer (“**Entitlement Offer**”) as previously announced on 14 September 2020.

The offer has now been extended to those shareholders with a registered address in Luxembourg in addition to those eligible shareholders with registered addresses in Australia or New Zealand as of 17 September 2020 (“**Record Date**”).

The Company also advises that the offer is now open.

The Entitlement Offer is fully underwritten and allows eligible shareholders to subscribe to two (2) new fully paid ordinary share for every five (5) existing fully paid ordinary shares held at the record date of 17 September 2020 at an issue price of \$0.01 (1.0 cent) per share to raise approximately \$1.88 million before costs.

The closing date of the Entitlement Offer is 5:00pm AEDT on 6 October 2020.

This announcement is authorised for release by the Board of Directors of Stellar Resources Limited.

For further details please contact:

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*Or visit our Website at:
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21 September 2020

Letter to Eligible Shareholder – Entitlement Offer

Dear Shareholder

Stellar Resources Limited (SRZ or the Company)(ASX: SRZ), writes to you as an eligible shareholder of the Company with a registered address in Australia, New Zealand or Luxembourg as of 17 September 2020 (“**Record Date**”).

As advised in the Company’s ASX announcement dated 14 September 2020 Stellar is undertaking a capital raising transaction to raise approximately \$2.18 million (before costs) (“**Capital Raising**”). The Capital Raising comprises a placement of \$0.3 million (“**Placement**”), followed by a fully underwritten, Non-Renounceable Entitlement Offer (“**Entitlement Offer**”) to raise approximately a further \$1.8 million.

The Entitlement Offer opens at 9.00AM (AEST) on Monday, 21 September 2020.

The Offer document in relation to the Entitlement Offer has been lodged by the Company with ASX on 21 September 2020 (“**Offer Document**”) and can be accessed from the link <https://www.asx.com.au/> under the Company’s code “SRZ”. Your personalised Entitlement and Acceptance Form is annexed to this document.

A hard copy of the Offer Document is also available upon request to the Company’s Share Registry, Boardroom Pty Limited who can be contacted on 1300 737 760 (within Australia or on 02 9290 9600 (from outside Australia)).

Eligible investors can also visit www.investorserve.com.au to download their entitlement form and offer document.

Unless otherwise defined, capitalised terms used in this letter have the meaning given in the Offer Document.

Entitlement Offer

Purpose and Use of Funds

The purpose of the Offer is to -

- a) facilitate funding of the Company’s exploration and minerals projects and for general working capital requirements of the company. The key expected use of proceeds of the Offer is funding of the Company’s North East Tasmania Gold Exploration Project, subject to granting of the 10 first-in-time Exploration Licence Applications registered to Stellar’s wholly owned subsidiary, Tarcoola Iron Pty Ltd on 9 September 2020; and
- b) recognise Shareholders’ ongoing support of the Company and provide the opportunity for Eligible Shareholders to participate in a discounted rights issue.

Investors should note that Stellar operates in the exploration industry which is intensely competitive and subject to rapid and significant change and that any investment made in it should be considered highly speculative. An investment in the Company’s securities is subject to risks, including risks specific to Stellar and general risks. Detailed information about these risks is set out in Section 6 of the Offer Document, which we encourage you to read carefully in its entirety.

Key features

The Entitlement Offer is on the basis of two (2) new fully paid ordinary shares for every five (5) existing fully paid ordinary shares, at an issue price of \$0.01 (1 cent) per share. The Entitlement Offer will result in the issue of up to 187,994,800 shares to raise approximately \$1,879,948 (before costs).

The Entitlement Offer is offered to all shareholders with registered addresses in Australia, New Zealand and Luxembourg who hold shares as at 7.00pm (AEST) on the record date being Thursday, 17 September 2020 ("**Eligible Shareholders**") as outlined in Section 4.6 of the Offer Document.

The Entitlement Offer is fully underwritten and lead managed by Taylor Collison Limited (**Lead Manager**).

To the extent there is a shortfall between the number of Offer Shares applied for under the Offer and the total Entitlements offered to Eligible Shareholders under the Offer (**Shortfall Shares**) will be taken up by the Lead Manager.

Accordingly, Eligible Shareholders will not be offered any additional shares apart from their entitlement.

Applications and payment of funds must be received by the Company on or before 5.00pm Tuesday, 6 October 2020 ("**Closing Date**") (subject to any variation in accordance with applicable laws and regulations), and unless the Offer is extended by the Company.

New Stellar shares issued under the Entitlement Offer will be fully paid and rank equally with all existing Company shares on issue and the Company will apply to the ASX for quotation of the new shares.

Key Dates for Entitlement Offer

The Company reserves the right to withdraw the Offer at any time before the issue of Offer Shares under the Offer, in which case Stellar will refund any Application Monies received.

Event	Date
Announcement of Placement & NREO	14 September 2020
Lodge ASX Appendix 2A for Placement & S708A(5)(e) Cleansing Notice	Tuesday, 15 September 2020
"Ex" date	Wednesday, 16 September 2020
Record date	Thursday, 17 September 2020
Despatch and Lodge of Offer Documents	Monday, 21 September 2020
NREO Opening Date	Monday, 21 September 2020
Last day to extend NREO Closing Date	Thursday, 1 October 2020
NREO Closing Date	5.00pm Tuesday, 6 October 2020
Shares quoted on deferred settlement basis	Wednesday, 7 October 2020
Announcement of results of NREO	Friday, 9 October 2020
Issue shares and lodge ASX Appendix 2A	Prior to 12.00pm Tuesday 13 October 2020
Shares commence trading on a regular basis	Wednesday, 14 October 2020

**The above timetable is indicative only and subject to change. The quotation of New Shares is subject to ASX approval. Subject to the ASX Listing Rules and Corporations Act and other applicable laws, the Company reserves the right to vary these dates, accept late applications (either generally or in particular cases) and to withdraw the Entitlement Offer without prior notice. Any extension of the Entitlement Offer will have a consequential effect on the issue date of the New Shares..*

Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Offer Shares are issued, is set out below.

Shares	Number
Shares on issue as at date of Offer Document	469,987,168
Offer Shares offered pursuant to the Offer	187,994,800
Total Shares on issue after completion of the Offer	657,981,968

Options & Share Rights	Number
SRZAA Unlisted Options (Various Classes)	37,000,000
SRZAB Share Rights	5,161,190
Total Options & Share Rights on issue after completion of the Offer*	42,161,190
*assuming no options or share rights have been exercised prior to the completion of the offer.	

Possible dilutive effect

The dilutionary effect of the Offer on your shareholding will depend on whether you elect to subscribe for some or all of your Entitlement. If all of the entitlements under the Offer are subscribed, Eligible Shareholders will hold the same percentage interest in the Company as they did immediately prior to completion of the Offer. However, to the extent that any Shareholder fails to take up their full Entitlement, or is an Ineligible Shareholder unable to participate in the Offer, that Shareholder's percentage holding in the Company will be diluted.

Please refer to Section 5.4 of the Offer Booklet for further details of the possible dilutive effect.

Actions required by Eligible Shareholders

The number of new Stellar shares to which Eligible Shareholders are entitled (your Entitlement) is shown on the Entitlement and Acceptance Form that accompanies this Offer Document.

As an Eligible Shareholder, you may:

- take up your Entitlement in full
- take up part of your Entitlement; or
- If you do not wish to accept all or part of your Entitlement, you are not obligated to do anything in response to the Offer.

(Refer Section 4.10 of the Offer Booklet)

If you choose to participate in the Entitlement Offer, please ensure your application money for the Entitlement you wish to take up is received by the Company by no later than 5.00pm (AEDT) Tuesday, 6 October 2020.

Applicants may pay the application monies by Cheque or by BPAY. You will be treated as applying for as many Shares as your payment will pay for in full. For New Zealand and Luxembourg Shareholders only, if you do not have an account that supports BPAY® transactions to an Australian bank account then please contact the Company's Share Registry, Boardroom Pty Limited who can be contacted on 1300 737 760 (within Australia or on 02 9290 9600 (from outside Australia) for alternative payment details.



Entitlements are non-renounceable and will not be tradable on the ASX or otherwise transferable. Accordingly, you cannot, in most circumstances, withdraw your Application for Offer Shares once it has been accepted.

Shortfall Shares

The Entitlement Offer is fully underwritten and lead managed by Taylor Collison Limited (Lead Manager). The Directors, Mr Simon O'Loughlin, Mr Simon Taylor and Mr Thomas Whiting have agreed to sub-underwrite the Entitlement Offer to a combined total amount of approximately \$120,000, through their nominee entities (in addition to their personal entitlements under the offer).

To the extent there is a shortfall between the number of Offer Shares applied for under the Offer and the total Entitlements offered to Eligible Shareholders under the Offer (Shortfall Shares) will be taken up by the Lead Manager.

Accordingly, Eligible Shareholders will not be offered any additional shares apart from their entitlement.

All the Directors intend to take up their entitlements in full and encourages shareholders to do the same.

If you have any queries about the Entitlement Offer, please contact the Company's Share Registry, Boardroom Pty Limited who can be contacted on 1300 737 760 (within Australia or on 02 9290 9600 (from outside Australia)).

Yours Sincerely

Simon O'Loughlin
Non-Executive Chairman
Stellar Resources Limited